

SECRET

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SOURCE MATERIAL FOR SPEECHES ON OFFICE OF THE DD/S

Financing Agency Activities

An explanation of the purpose and use of vouchered and confidential funds.

The following outline could be used in the explanation:

1. Statutory Authority and Intent

- a. Provisions of Public Law 110, 81st Congress, 1st Session - provides in part that funds made available to the Agency may be expended for purposes necessary to carry out its functions.
- b. Funds used may be expended in an overt or covert manner.
- c. Overt expenditures referred to as vouchered funds and covert expenditures referred to as confidential funds.

2. Purpose and Use

- a. Vouchered funds are to support activities, while highly classified, are not strictly covert and are not for extraordinary or emergency requirements which preclude compliance with other statutes and procedures and normal Government audit. Expenditures from vouchered funds are subject to audit by representatives of the General Accounting Office and the internal audit of the Agency.
- b. Confidential funds are to support activities of strictly covert operations and for extraordinary or emergency requirements where the nature of the activities preclude compliance with other statutes and procedures and normal Government audit. Expenditures of confidential funds are accounted for solely on the certificate of The Director and are subject only to the internal audit of the Agency.

3. Responsibilities and Policies

- a. Accounting controls for the proper maintenance of obligations and expenditures of vouchered and confidential funds.
- b. Responsibility of each officer and employee in making proper, honest, and effective use of funds.

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